

**OTAY RANCH PRESERVE OWNER/MANAGER (POM)
PRESERVE MANAGEMENT TEAM (PMT) MEETING**

County Administration Center, Tower 7
1600 Pacific Highway
San Diego, CA 92101

January 09, 2008
4:00 – 5:00 p.m.

AGENDA

- I. Call to Order**
- II. Approval of POM PMT Meeting Minutes of December 17, 2007**
- III. Public Comment on items not related to Agenda**
- IV. Non-Otay Ranch Project Mitigation Land Program** *(Hanley, Lundstedt)*
- V. Long-Term Implementation Plan** *(Hanley, Lundstedt)*
- VI. Eastern Otay Valley Regional Park (OVRP) Trails Planning** *(Batchelder)*
- VII. Proposed Policy Committee Agenda for January 23, 2008** *(Hanley, Lundstedt)*
- VIII. Next Meeting**
- IX. Adjournment**

DRAFT Minutes
Otay Ranch POM Preserve Management Team Meeting
County Administration Center, Tower 8
1600 Pacific Highway
San Diego, CA 92101

December 17, 2007
10:00am – noon

ATTENDEES:

City of Chula Vista

Scott Tulloch, Assistant City Manager
Marisa Lundstedt, Principal Planner
Josie McNeeley, Associate Planner

County of San Diego

Chandra Wallar, Deputy Chief Administrative Officer, Land Use & Env. Group
Renée Bahl, Director Department of Parks and Recreation (DPR)
Maeve Hanley, DPR Group Program Manager
Cheryl Goddard, DPR Land Use Environmental Planner
Claudia Anzures, County Counsel
Thomas Oberbauer, Department of Planning and Land Use (DPLU) Chief, MSCP

Public

Tom Tomlinson, McMillin
Kim Kilkenny, Otay Ranch Company
Rob Cameron, Otay Ranch Company
Ranie Hunter, Otay Ranch Company
Sean Kilkenny, Otay Ranch Company

ATTACHMENT A – Meeting Sign-in Sheet

Item Numbers noted in parentheses

1. **Call to Order**
(I.) Meeting called to order at 10:05 a.m. by County of San Diego/CHANDRA WALLAR
2. **Approval of Preserve Management Team (PMT) Meeting Minutes of September 11, 2007**
(II.) City of Chula Vista/SCOTT TULLOCH motioned to approve the meeting minutes. Motion seconded by WALLAR. Motion carried.

3. Public Comment on items not related to Agenda

(III.) WALLAR opened and closed with no comment.

4. Status Report

(IV.A.1) County of San Diego/TOM OBERBAUER reported on the following projects currently being process or to be processed by the County:

- General Plan Amendment (*initiated by Otay Project L.P.*) – Elimination of Conveyance Plan and the Coastal Sage Scrub Restoration Requirement

OBERBAUER stated that the project was approved on consent by the Board of Supervisors on December 5th, 2007.

- Environmental Subdivision (*initiated by McMillin*) – Otay Mesa

OBERBAUER stated that the project consists of 84 acres proposed to be subdivided into 4 parcels. Parcels to be used for mitigation for other projects. Mitigated Negative Declaration anticipated to be out for public review on January 10th.

- Boundary Adjustments (2) (*initiated by McMillin*) – Otay Mesa

OBERBAUER stated that the lands were designated as industrial and open space in the East Otay Mesa Specific Plan. Transcends City of San Diego and County jurisdictional lines. Boundary Adjustments meant to create more understandable parcels. These projects were either approved earlier in the week or will be approved by the end of the week.

TOM TOMLINSON clarified that the projects were approved by the County last week.

- Village 13 – Resort and Preserve Community (*initiated by Otay Project L.P.*)

OBERBAUER stated that Village 13 is anticipated to be completed by the end of 2008.

- Board Policy I-109 Otay Ranch Implementation Document Amendment (*initiated by the County of San Diego*) - Adoption of Phase 2 RMP and Preserve Boundary Modifications

OBERBAUER stated that County is working on adoption of Phase 2 RMP including Preserve boundary modifications to be consistent with the City's Preserve boundary.

TULLOCH asked if the City will have an opportunity to review the environmental documents to these projects being processed by the County.

OBERBAUER stated yes.

(IV.A.2) City of Chula Vista/MARISA LUNDSTEDT reported on the Championship Off-Road Racing (CORR) Preliminary Conditional Use Permit application initiated by CORR for a permanent race site. LUNDSTEDT stated that only a prelim application has been submitted and when a final application is submitted, it will be shared with County POM Staff. CORR intends to race again in 2008. They may need to apply for another temporary use permit.

WALLAR stated that the County submitted comments regarding biological resources to the City as a part of the temporary use permit for the 2007 races.

LUNDSTEDT requested that these comments be forwarded to her.

(IV.A.3) LUNDSTEDT reported on the Wolf Canyon Vacation initiated by Otay Project L.P. currently being processed by the County and the City. County anticipates taking the Vacation forward for Board of Supervisor consideration in February. The City is to follow the County's timeline.

WALLAR asked if this is to be heard on February 28th – the only Board hearing in February.

OBERBAUER confirmed.

LUNDSTEDT reported on Otay Valley Regional Park (OVRP) Trails coordination. City and County POM staff have reviewed literature submitted by Applicant (JPB Development, LLC). Applicant is to submit a conceptual trail plan.

WALLAR asked if the literature including a binder was submitted to the County.

County of San Diego/RENÉE BAHL stated that the binder likely went to Park's Development Division which attends the OVRP Joint Staff meetings.

(IV.B) County of San Diego/CHERYL GODDARD presented the preserve status:

(IV.B.1) Conveyed/Acquired/125-Mitigation Lands (Total: 3,252.27)

GODDARD stated that within the Otay Ranch project boundary, there are approximately 3,200 acres dedicated to open space. This has been achieved through conveyance of land to the POM, acquisitions by the City, the County,

and 3rd Parties, and the purchase of mitigation lands by Caltrans. McMillin has conveyed 517 acres to the POM for development of Villages 1 and 6. The City has acquired 776 acres within the Salt Creek area through a University Agreement entered in 2000 and a Conveyance Settlement Agreement entered in 2002. This land is being managed by the POM. The County has acquired 205 acres with CA Coastal Conservancy grant monies. This land is being managed by the County. Third party acquisitions within the Preserve total 1,500 acres with an additional 1,700 acres of developable land also purchased. This includes lands purchased by US. Fish and Wildlife Services, CA Dept. of Fish and Game (CDFG), and Trust for Public Lands. These lands are being managed by the 3rd parties who acquired them. Caltrans has purchased approximately 200 acres in Johnson Canyon. This includes 146 acres within the Preserve and 53 acres of developable area. Caltrans is responsible for the management of this land.

(IV.B.2) Pending Fee Title Transfers/IODs to be Accepted (Total: 565.528)

GODDARD stated that 565 acres is anticipated to be transferred to the POM by early next year. This includes 40 acres from Brookfield Shea. The County has accepted this IOD. The City is in the process of acceptance. 525 acres will be from the Otay Ranch Company. POM Staff has completed a site visit with the Applicant and is preparing a letter requesting updated Preliminary Title Reports, legal/physical access to the property.

(IV.B. 3) Pending Conveyances with Outstanding Issues (Total: 740.959)

GODDARD stated that there are 740 acres of pending conveyances. Outstanding issues include POM Staff to come to agreement addressing future infrastructure. This involves land within the Salt Creek area being offered by Brookfield Shea and within the Wolf Canyon area being offered by Otay Project L.P. Once resolved, this would allow the transfer of 182 acres to the POM.

Other outstanding issues include a small area within Wolf Canyon requiring MSS restoration and achievement of 5-year success criteria to be approved by the Wildlife Agencies, a half-acre property offered by McMillin Companies which has not been accepted due to the size and access issues to the property, and lastly, there are 558 acres north of Village 13 that have been acknowledged through IODs but have not been accepted pending the final approved development/preserve design for Village 13.

(IV.B.4) Acknowledged Conveyance Proposed for Vacation and Replacement

GODDARD stated that there are currently two IODs proposed for Vacation due to development footprint changes. The first is 32 acres in Wolf Canyon to be replaced within the same general area and the second is 254 acres within

Village 13. The replacement land is currently proposed in a different configuration within Village 13 boundaries.

(IV.B.5) Preserve/Development Balance

GODDARD summarized the presented information, approximately 4,800 acres or 42% have been committed to the Preserve. This includes the lands that have been conveyed, acquired, or purchased and pending IODs. 3,250 acres have actually been dedicated to the open space (areas shown in green on the Powerpoint). Of this, approximately 1,300 acres is currently being managed by the POM. This means there is approximately 6,600 acres or 58% available for conveyance. This is in-step with development, which to date has all occurred within the City's boundaries. Approximately 4,000 acres have been developed or purchased by 3rd parties and approximately 5,600 acres is left for development. As shown, this follows the same percentages of Preserve buildout – 42% developed/purchased for open space and 58% left for development.

TOMLINSON asked to clarify which areas are currently being managed by the POM.

GODDARD responded that the POM currently manages the 517 acres conveyed to the POM by McMillin and the 776 acres acquired by the City.

KIM KILKENNY clarified that the City did not acquire the 776 acres with City funds. The land transferred to the City per the University Agreement was owned by the entities named on the University Agreement and transferred to the City. The land transferred to the City per the Conveyance Settlement Agreement was due to the friendly condemnation actions taken in 2002. Otay Project purchased the land from Otay Land Company and subsequently transferred the land to the City.

5. Conveyance Acceptance Strategy

(V.) County of San Diego/MAEVE HANLEY stated that the POM prefers transfer of fee title over Irrevocable Offer of Dedications (IODs). Transfer of fee title takes approximately 2.5 months to process. IODs will be accepted in certain occasions due to outstanding Wildlife Agencies' requirements and if there is a sufficient CFD budget to manage the land. Acknowledgement and Acceptance of IODs each takes approximately 2.5 months to process. Flowcharts depicting each process have been made available as a handout.

HANLEY noted that Phase I's will be required at acknowledgement stage. Phase I's are good for 1 year to date of IOD acknowledgment/acceptance, and Preliminary Title Reports are good for 30 days to date of IOD acknowledgment/acceptance. If the documents surpass this timeline, updates will be requested.

BAHL asked if any action is needed by the Preserve Management Team in order to bring this strategy forward to the Policy Committee.

LUNDSTEDT stated that POM Staff supports the strategy that fee title transfer be the preferred conveyance method but that IODs are still needed in order to allow flexibility in conveyance. The Resource Management Plans (RMPs) should be amended to allow this flexibility.

6. Non-Otay Ranch Mitigation Land Program

(VI.) HANLEY stated that a draft for POM Staff review has been completed. A meeting with POM Staff, County Counsel, and City Attorney is currently being scheduled to discuss the Program.

WALLAR requested the details of the project.

HANLEY stated that a draft has been completed for POM Staff internal review.

LUNDSTEDT stated that the City has discussed some of their concerns with the County. The Program includes eligibility criteria. The City would like to have prioritization criteria if multiple lands meet the eligibility criteria. Additionally, the City is concerned with the funding mechanisms needed to manage these lands in perpetuity. Lastly, the City would like to explore third parties taking ownership of the land and the POM managing it to reduce liabilities.

WALLAR asked when we would receive formal comments from the City. This item is to be discussed at the next Policy Committee meeting.

TULLOCH stated that it was unfortunate that City Attorney, Ann Moore, was not able to attend the meeting. The City has concerns regarding funding, specifically endowments, and liabilities associated with taking ownership of land above and beyond those required by the Otay Ranch GDP/SRP and RMPs.

TULLOCH requested that a special meeting being scheduled to discuss this item before the Policy Committee scheduled for January 23rd.

WALLAR agreed. POM Staff will need to work quickly to schedule another meeting.

TOMLINSON stated that he was concerned about third party ownership. He would like to know more about the liability concerns.

LUNDSTEDT stated that they will address his concerns at the next meeting.

7. Long-term Implementation Program

(VII.) HANLEY stated that the Long-term Implementation Program is to be released for a 30-day public review period by the end of the month. The County Board of Supervisors must adopt Phase 2 RMP in its entirety prior to implementing this Program.

8. Finance/CFD 97-2 Update

(VIII.) LUNDSTEDT reported on CFD 97-2. Projected costs are \$305,000 and collected assessments are to total \$383,623. The City will look into the deadline to accept vs. when the funds are released. This information will be needed as we look at the 5 year budget.

LUNDSTEDT clarified that at the last Policy Committee meeting, the projected costs were \$5,000 over what was projected to be collected. After speaking with the City's finance staff, this was due to the numbers only being estimated projections.

WALLAR asked if handouts will be made available at the next Policy Committee meeting.

LUNDSTEDT confirmed and stated that they will be updated with the new numbers.

9. Discussions with the San Diego National Wildlife Refuge

(IX.) HANLEY reported that the "1995 Baldwin Agreement" and RMP2 state that the Refuge is to operate and maintain lands east of Otay Lakes at no cost to the Otay Ranch projects. CFD 97-2 funds would focus on Otay Valley Parcel, specifically a Nature Interpretative Center, and research and educational programs. POM Staff met with Refuge staff on December 10th. POM Staff to write detailed proposal for the Refuge. Refuge staff to review proposal and discuss with ecological partners, i.e. USFWS Ecological Division, CDFG, Washington, DC Office.

WALLAR asked if the Refuge was originally part of the CFD and clarification on whether the Refuge is to take over management of lands east of the lake without Otay Ranch funds, and if so, are the funds that were meant to manage these lands will now be focused on an interpretive center.

HANLEY stated that the Refuge is not a part of the CFD but that they agreed to take the land without any cost to Otay Ranch.

LUNDSTEDT stated that the lands east of Otay Lakes are within the Otay Ranch boundaries. The Refuge is concerned with the cost to manage these lands, staffing issues, and the timing of when these lands would be conveyed to the POM which in turn would transfer it to the Refuge.

WALLAR asked K. KILKENNY if he could add historic information to the discussion.

K. KILKENNY stated that it was Otay Ranch Company's goal for the Refuge to take over management of the eastern lands so that money could be focused on OVRP. However, the language for CFD 97-2 must be looked at closely. The CFD may explicitly state that funds cannot be used for an interpretive center.

TOMLINSON had same concern and stated that POM should be cautious of what is and isn't allowed per the CFD.

LUNDSTEDT stated she would review the CFD language.

10. Proposed Policy Committee Agenda for January 23, 2008

(X.) WALLAR asked if any changes were needed on the next Policy Committee agenda.

RANIE HUNTER clarified that the CORR is being initiated by the CORR itself not Otay Projects.

WALLAR asked POM Staff to make the change on the agenda.

11. Next meeting

(XI.) WALLAR stated that POM Staff would work quickly to schedule a special Preserve Management Team meeting to discuss the Non-Otay Ranch Project Mitigation Land Program. Additionally POM Staff is to review the CFD language and determine what the funds can and cannot be used for.

12. Adjournment

(XII.) Motion to adjourn by TULLOCH at 10:41 a.m. Motion seconded by WALLAR. Motion carried.

NON-OTAY RANCH PROJECT MITIGATION LANDS PROGRAM
Eligibility and Review Criteria

January 9, 2008

Eligibility Criteria

In order for the land to be eligible for this Program, it must meet all of the following criteria:

- Land must be located within the Otay Ranch Preserve boundary
- Applicant and Otay Ranch Preserve Owner Manager (POM) enter into a contractual agreement
 - Applicant retains ownership of land
 - POM agrees to manage land to Otay Ranch Phase 2 Resource Management Plan (RMP) and Long-Term Implementation Program standards
 - POM and Applicant to execute contract, contract term to be determined
- Land is free of environmental contamination liabilities
- Applicant must provide evidence that legal and physical access have been obtained
- Resource Agency Requirements
 - Applicant must provide written evidence that all Resource Agency permits (i.e. short-term mitigation requirements, success criteria), as applicable, have been satisfied
 - POM will manage the land to Phase 2 RMP and Long-Term Implementation Program standards. Applicant must provide evidence that this management standard is acceptable to Resource Agencies.
 - Fee title to the land and/or dedicated open space easement over the land must not contain language requiring management and monitoring of the land over and above those required by Phase 2 RMP and Long-Term Implementation Program standards.

Review Criteria

The POM will take into consideration, including but not limited to the following issues in their ranking of lands for inclusion in this Program:

- Adjacency to land currently being managed by the POM
- Cost Analysis
 - Applicant must submit a Property Analysis Record (PAR) or similar cost analysis
- Contract price and payment proposal

**OTAY RANCH PRESERVE OWNER/MANAGER (POM)
POLICY COMMITTEE MEETING**

1800 Maxwell Road, Lunch Room
Chula Vista, CA 91911

January 23, 2008
1:00 - 4:00 p.m.

DRAFT AGENDA

I. Call To Order

II. Approval of POM PMT Meeting Minutes of October 5, 2007

III. Public Comment on items not related to Agenda

IV. Status Reports

A. Projects (*Lynch, Lundstedt*)

1. County of San Diego

- a. General Plan Amendment (*initiated by Otay Project L.P.*) – Elimination of Conveyance Plan and the Coastal Sage Scrub Restoration Requirement
- b. Environmental Subdivision (*initiated by McMillin*) – Otay Mesa
- c. Boundary Adjustments (2) (*initiated by McMillin*) – Otay Mesa
- d. Village 13 – Resort and Preserve Community (*initiated by Otay Project L.P.*)
- e. Board Policy I-109 Otay Ranch Implementation Document Amendment (*initiated by the County of San Diego*) - Adoption of Phase 2 RMP and Preserve Boundary Modifications

2. City of Chula Vista

- a. Championship Off-Road Racing (CORR) (*initiated by CORR*)

3. County of San Diego and City of Chula Vista

- a. Wolf Canyon Vacation/Substitution (*initiated by Otay Project L.P.*)
- b. OVRP Trails Coordination

B. Preserve Status (*Goddard, Lundstedt*)

1. Conveyed/Acquired/125-Mitigation Lands (Total: 3,252.27)

- a. McMillin
- b. County
- c. City
- d. SR-125 Mitigation Land
- e. 3rd Party Acquisitions:
 - USFWS
 - CDFG
 - Trust for Public Lands

2. **Pending Fee Title Transfers/IODs to be Accepted** (Total: 565.528)
 - a. Otay Ranch Company
 - b. Brookfield Shea
3. **Pending Conveyances with Outstanding Issues** (Total: 740.959)
 - a. Future infrastructure language
 - b. Village 13 boundary modifications
 - c. Wolf Canyon – MSS Restoration Requirements
 - d. McMillin, 0.586 ac – Access and size
4. **Acknowledged Conveyance Proposed for Vacation and Replacement**
 - a. Eastern Village 13
 - b. Wolf Canyon
5. **Preserve/Development Balance**

Preserve	Development
~ 4,800 ac (42%) committed to Preserve <ul style="list-style-type: none"> • ~3,250 ac (29%) dedicated to open space preserve • ~1,293 ac managed by the POM 	~ 4,000 ac (42%) development built or acquired by 3 rd party*
~ 6,575 ac (58%) available for conveyance	~ 5,600 ac (58%) left for development

* Data is from CV matrix dated 01/17/07

- V. **Conveyance Acceptance Strategy** (*Hanley, Lundstedt*)
- VI. **Non-Otay Ranch Project Mitigation Land Program** (*Hanley, Lundstedt*)
- VII. **Long-Term Implementation Plan** (*Hanley, Lundstedt*)
- VIII. **Finance/CFD 97-2 Update** (*Lundstedt*)
- IX. **Eastern Otay Valley Regional Park (OVRP) Trails Planning** (*Batchelder*)
- X. **Discussions with the San Diego National Wildlife Refuge** (*Hanley, Lundstedt*)
- XI. **2008 Proposed POM Meeting Schedule**
- XII. **Adjournment**